



DEBATE PACK

Number CDP 2016/0186, 21 October 2016

Effect on funding for Wales of the UK leaving the EU

Matthew Keep,
Matthew Ward

Summary

This pack has been prepared ahead of the debate on **the effect on funding for Wales of the UK leaving the EU** to take place in Westminster Hall on 25 October 2016 at 9:30am. The subject for the debate has been chosen by Stephen Kinnock MP.

Per head, Wales receives more funding from the EU than the UK does. Wales has been allocated around €5 billion from the EU for the period 2014 – 2020: €3 billion from the European Structural and Investment Funds and €2 billion for providing direct support for farmers under the Common Agricultural Policy. This funding is allocated directly to the Welsh Government to manage.

Organisations in Wales can also bid directly to the European Commission for funding from other programmes such as Horizon 2020, which provides funding for research and innovation.

Following the result of the EU referendum held on 23 June 2016, the UK Treasury has provided guarantees for EU funded projects signed before the UK leaves the EU. The Treasury has also guaranteed that the agricultural sector in Wales will receive the level of funding it was expecting from the EU during 2014–2020.

The UK's, and consequently Wales' access to EU funding programmes will be subject to negotiations during the EU withdrawal process. It is possible that Wales may still receive funding from certain EU programmes even after the UK has left the EU. Indeed, some programmes already include countries that are not EU member states. However, the programmes that are particularly significant for Wales are generally for EU member states only.

The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

Contents

1. Background	2
2. Press Articles	6
3. Press Releases	7
4. Parliamentary Material	12
4.1 Written Questions	12
4.2 Oral questions	14
4.3 Debates	16
5. Further Reading	17

1. Background

Introduction

Wales has been allocated around €5 billion of funding from the EU for the period 2014 – 2020:

- €3.1 billion – provided from the European Structural and Investment Funds – is to grow economic activity and employment, and increase the living standards of EU citizens.
- €1.9 billion is for providing direct support for farmers under the Common Agricultural Policy (CAP). This support is often referred to as Pillar 1 of CAP.

The funding is allocated to the Welsh Government who administer the programmes. The public, private and third sectors are all involved in delivering projects from the funding.

EU funding allocations for Wales and UK comparison, 2014 - 2020

	Wales € billion	annual average, € per person ¹	
		Wales	UK
European Structural and Investment Funds			
European Regional Development Fund	1.4	65	13
European Social Fund	1.0	46	11
European Agricultural Fund for Rural Development	0.7	30	11
European Maritime and Fisheries Fund	0.0	1	1
European Agricultural Guarantee Fund (Pillar 1 of CAP)	1.9	89	49

¹ based on 2015 population

sources:

European Commission, Structural and Investment Funds Open Data; House of Commons Library, CAP reform 2014-20: EU Agreement and Implementation in the UK and in Ireland (updated); www.nomisweb.co.uk

Wales' allocations for the seven year period equate to an annual average of around €230 per head, greater than the €85 per head across the UK as a whole.

Wales also receives other funding from the EU that goes directly to beneficiaries. These payments – which go straight to the private sector and other non-governmental organisations such as universities – are more difficult to quantify.

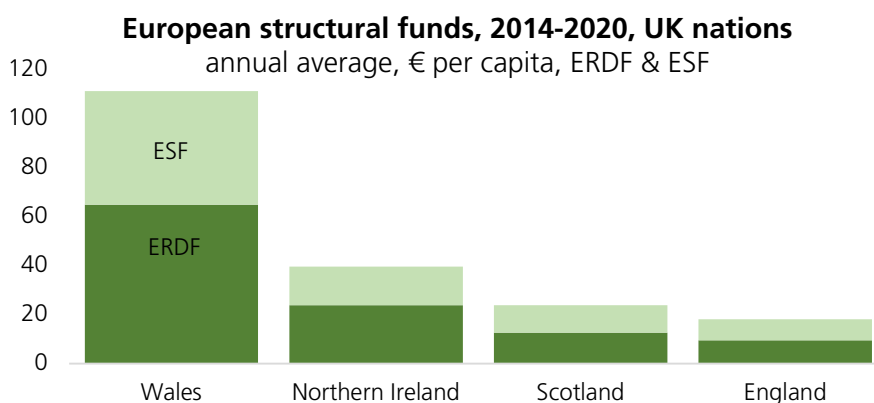
EU funds administered by the Welsh Government

European Structural and Investment Funds

Wales' 2014-2020 allocation from European Structural and Investment Funds (ESIF) comes from four programmes:

- €1.4 billion from the [European Regional Development Fund](#) (ERDF), which supports local economic growth and is focussed on small and medium-sized enterprises, research and innovation and a low-carbon economy;
- €1.0 billion from the [European Social Fund](#) (ESF), which aims to improve employment and education opportunities by funding training and skills projects. It also aims to support vulnerable people at risk of poverty and promote social inclusion;
- €0.7 billion from the [European Agricultural Fund for Rural Development](#) (EAFRD), which contributes to the structural reform of the agricultural sector and to the development of rural areas;
- €0.02 billion from the [European Maritime and Fisheries Fund](#) (EMFF), which supports the fishing industry to adapt its fleet to make it more competitive, and promotes measures to protect and enhance the environment.

The first two of these, the ERDF and ESF, are often collectively known as Structural Funds. As the chart below shows, Wales receives a relatively large allocation from the Structural Funds compared to other UK nations. This is largely because one of the two regions that Wales is split into qualifies for the highest level of support available. West Wales and the Valleys is one of two UK regions that – by having a GDP per head of less than 75% of the EU average – is designated as a 'less developed' region and qualifies for additional funding.



Often, the Structural Funds must be matched with funding from other sources. This means that the total investment supported by Structural Funds will be greater than the funding from the EU alone.

Wales also takes part in the European Territorial Co-operation programme. Funds from this programme are provided for EU regions to

work together to address common social, economic and environmental challenges.¹

CAP Pillar 1

The €1.9 billion allocated for Pillar 1 of CAP will provide direct payments to support farmers' incomes. The Welsh Government is responsible for managing these payments in Wales. There is more on the operation of CAP in the Library briefing [EU Referendum: Impact on UK agriculture policy](#).

Direct funding from the European Commission

The European Commission allocates some funding directly to organisations, often in the private sector or non-governmental organisations such as universities. The European Commission programmes include Horizon 2020 – the EU's programme for research and innovation – and Erasmus+, which offers opportunities to study, work, volunteer, teach and train abroad in Europe.

It is difficult to quantify the funding for Wales from each of the European Commission's programmes. That said, the Horizon 2020 programme, running during 2014-20, has awarded €40 million of grants to organisation in Wales, as at 23 February 2016. The predecessor to Horizon 2020 – the 2007-2013 'Seventh Framework Programme' – allocated €145 million to organisations in Wales.²

Estimates of Wales' net contribution to the EU

It isn't possible to provide definitive figures on whether Wales receives more from the EU budget than it pays in. This is because Wales does not make a direct contribution to the EU budget. The UK contributes as a whole to the EU budget through payments that are roughly based on the size of its economy relative to other Member States.

However, there have been attempts to estimate Wales' net contribution by estimating its share of the UK's contribution to the EU budget. In the main, such research has reported that Wales is a net recipient from the EU Budget; that is, research has found that Wales receives more funding from the EU than its estimated share of the UK's contribution to the EU budget.³

In May 2016, the Wales Governance Centre estimated that Wales was a net recipient from the EU Budget of around £245 million in 2014, equivalent to around £79 per head. The UK as a whole is a net contributor to the EU Budget. In 2014 the UK's net contribution was equivalent to £151 per head.⁴

¹ Further details are available on [pages 26-27](#) of the Welsh Assembly Research Service's Research Briefing, [Wales and the EU: What does the vote to leave the EU mean for Wales?](#)

² [WQ 30220 EU Grants and Loans: Wales](#)

³ See [page 12](#) of Wales Governance Centre's report [Wales and the EU referendum: Estimating Wales' Net Contribution to the European Union](#), May 2016 for a discussion of different estimates.

⁴ Wales Governance Centre's report [Wales and the EU referendum: Estimating Wales' Net Contribution to the European Union](#), May 2016

UK Government guarantees of EU funding

The UK Treasury has guaranteed European Structural and Investment Funds in Wales for projects signed before the UK leaves the EU. The Treasury has also guaranteed funding received directly from the European Commission, for example universities participating in Horizon 2020.

The guarantee also includes Pillar 1 of CAP, so the agricultural sector in Wales will receive the same level of funding it was expecting under the 2014-20 programme.⁵

EU funding once the UK exits the EU

The UK's, and consequently Wales', access to EU funding programmes will be subject to negotiations during the withdrawal process. Even once outside the EU it is possible that the UK might contribute to the EU budget and receive funding from it.

Not all EU funding programmes are exclusive to EU member states. Countries outside the EU, but with a high degree of access to its single market, such as Norway and Switzerland participate in some of the European Commission run programmes such as Horizon 2020 and Erasmus+. However, such countries are not generally eligible for European Structural and Investment Funds and no non-EU countries take part in CAP.⁶

⁵ HM Treasury Press Release, [Further certainty on EU funding for hundreds of British projects](#), 3 October 2016; [WO 46768 EU Grants and Loans: Wales](#); Welsh Government, [EU funds in Wales](#), 4 October 2016 [accessed on 20 October 2016]

⁶ Welsh Assembly Research Service, [Wales and the EU: What does the vote to leave the EU mean for Wales?](#), 24 June 2016

2. Press Articles

The following is a selection of recent press and media articles which may be relevant to this debate. Please note: the Library is not responsible for either the views or accuracy of external content.

[Brexit: EU cash spend communication 'not effective'](#)

Brian Meechan

BBC, 11 October 2016

[EU funding guarantee 'not enough', says Carwyn Jones](#)

BBC, 13 August 2016

[Wales told not to expect same level of funding as it got from the EU - despite voting Brexit](#)

Adam Lusher

Independent, 14 July 2016

[Here's how much money Wales gets from the European Union and how it is spent](#)

Steffan Rhys

Wales Online, 26 June 2106

[View from Wales: town showered with EU cash votes to leave EU](#)

Carole Cadwalladr

Guardian, 25 June 2016

[Where does Brexit vote leave Welsh economy?](#)

Sarah Dickins

BBC, 24 June 2016

[Will Brexit mean the EU cash tap is turned off in Wales?](#)

David Williams,

Wales Online, 24 June 2016

3. Press Releases

[First Minister sets out his vision for post-Brexit Wales](#)

“Securing Wales’ place in the European single market, reforming the UK as a more federal union of four sovereign peoples, and building stronger links with the United States, our oldest friend and ally - those are my goals for Wales” – First Minister, Carwyn Jones will say in a major keynote speech in Chicago today

Welsh Government, 9 September 2016

Addressing an audience at the Chicago Council on Global Affairs in a speech titled After Brexit: Europe, the United Kingdom and Wales, the First Minister will set out his vision of what a post-Brexit, outward looking Wales should look like, within a reformed UK, with continued access to the European single market.

The First Minister will say that Wales will not give its consent to any Brexit deal unless the UK secures continued access to the European single market, arguing that without that guarantee, “we risk inflicting needless economic harm on our country, and on our citizens.”

Carwyn Jones will say:

“As the First Minister of Wales, my responsibility is to protect the interests of the Welsh people. I won my own political mandate at the Welsh Election just four months ago – there’s no doubt that the European referendum knocked us off our stride but we have big ambitions for Wales and my administration is determined to deliver on them.

“We want a dynamic business environment, while also delivering strong public services, funded through fair taxation. The two go together: we can only pay for those services if we have a prosperous economy. We are inclusive. We are an outward facing nation. I believe that Wales is best when it trades and co-operates with the rest of the world.”

On Wales’ role in negotiating the UK’s exit from the EU and forging a new relationship with the EU, he will say:

“I believe that the interests of Wales and the UK were best served by remaining in the European Union. The people took a different view, albeit by a fairly narrow margin. Of course, I respect the result of the referendum. However, I am absolutely clear that Wales is, and will remain, ‘open for business’.

“I believe it is absolutely vital that when we leave the EU, the United Kingdom must retain access to the single market. Without that guarantee, we risk inflicting needless economic harm on our country, and on our citizens.

“I have absolutely no intention of allowing Wales’ fate to be left to chance, for us to be passive observers in this most momentous of decisions. Wales and the other devolved nations must play a full and

active role in the negotiations to leave the EU, to ensure our interests are fully protected.

“If this becomes a two way dialogue between Brussels and London, it will fail. Cardiff, Edinburgh and Belfast must also have seats at the table. Whatever deal is finally negotiated, its acceptance should be subject to the support of the four Parliaments that now legislate for the UK.

“I cannot envisage consent being given by Wales unless the UK both secures access to the single market and delivers solid assurances to our citizens from other EU countries.”

On Wales’ future in the UK, he will say:

“I believe that the interests of Wales are well served by our membership of the United Kingdom, and the United Kingdom is better and stronger for having Wales in it. This is a view shared by a large majority of Welsh people.

“In the EU referendum campaign, the leave campaign promised time after time that Wales would be no worse off financially if we left the EU. Many of those campaigners are now in prominent positions in the UK Government. They have an absolute duty to deliver on what they promised.

“But a package of specific commitments for the post-Brexit world, while vital, is insufficient. I believe the process of withdrawal must be accompanied by a reformed governance of the United Kingdom for the long term.

“There can be no return to the old constitutional status quo, where the United Kingdom was one of the most centralized states in the developed world. But we have to embrace the new reality with fresh constitutional thinking if our British Union is to survive the new tensions created by EU exit.

“Unless we take this seriously, nothing - up to and including the break-up of the UK into its component parts - would be inconceivable. Let me emphasise; that is not something I wish to happen. Far from it. But scenarios that seemed little more than political fantasies a few years ago could become plausible if we fail to make the radical changes necessary to put the UK’s constitution on a sustainable footing.”

[Chancellor Philip Hammond guarantees EU funding beyond date UK leaves the EU](#)

HM Treasury, 13 August 2016

Thousands of British organisations will receive guarantees over EU funding in a new move by Chancellor Philip Hammond today (13 August 2016).

Key projects supporting economic development across the UK will be given the green light, ending uncertainty over their future following the UK’s decision to leave the European Union.

Assurances set out by the Treasury include:

- all structural and investment fund projects, including agri-environment schemes, signed before the Autumn Statement will be fully funded, even when these projects continue beyond the UK's departure from the EU
- the Treasury will also put in place arrangements for assessing whether to guarantee funding for specific structural and investment fund projects that might be signed after the Autumn Statement, but while we remain a member of the EU. Further details will be provided ahead of the Autumn Statement
- where UK organisations bid directly to the European Commission on a competitive basis for EU funding projects while we are still a member of the EU, for example universities participating in Horizon 2020, the Treasury will underwrite the payments of such awards, even when specific projects continue beyond the UK's departure from the EU

As a result, British businesses and universities will have certainty over future funding and should continue to bid for competitive EU funds while the UK remains a member of the EU.

And in a new boost to the UK's agricultural sector Mr Hammond also guaranteed that the current level of agricultural funding under CAP Pillar 1 will be upheld until 2020, as part of the transition to new domestic arrangements.

The Chief Secretary to the Treasury, David Gauke, has also written to each devolved administration to confirm the same level of assurances offered to UK government departments in relation to programmes they administer but for which they are expected to rely on EU funding.

The Treasury will work closely with the devolved administrations on subsequent funding arrangements to allow them to prioritise projects within their devolved responsibilities.

Chancellor of the Exchequer, Philip Hammond said:

The UK will continue to have all of the rights, obligations and benefits that membership brings, including receiving European funding, up until the point we leave the EU.

We recognise that many organisations across the UK which are in receipt of EU funding, or expect to start receiving funding, want reassurance about the flow of funding they will receive.

That is why I am confirming that structural and investment funds projects signed before the Autumn Statement and Horizon research funding granted before we leave the EU will be guaranteed by the Treasury after we leave. The government will also match the current level of agricultural funding until 2020, providing certainty to our agricultural community, which play a vital role in our country.

We are determined to ensure that people have stability and certainty in the period leading up to our departure from the EU and that we use the opportunities that departure presents to determine our own priorities.

Statement by the First Minister: EU Referendum result

The First Minister of Wales has responded to the result of the referendum on Britain's membership of the European Union

Welsh Government, 24 June 2016

First Minister Carwyn Jones said:

The country has taken a fundamental decision. I am deeply disappointed with the result.

This was a referendum I was never convinced we should have – not because I object to the democratic decision taken today – but because of its timing so soon after elections and I always feared that the debate would never really be about the EU.

This argument has not been one that represents a great advert for our political discourse in Britain.

But, a decision has been taken. And we must respect that.

Just last month I was elected First Minister and the head of the Welsh Government – I promised then, and I repeat today, I will be the First Minister for the whole of Wales. No matter how you voted yesterday, no matter how you voted in May, this Welsh Government will fight for your interests.

Now is the time for Wales to unite and to think clearly about our future. Even before yesterday's vote I said that no one party had the monopoly on good ideas, and now more than ever, we must rely on the abilities of all.

I have spoken to the First Minister of Scotland this morning. The Prime Minister has already said that Wales should be fully involved in negotiations on the terms of UK withdrawal and our future relationship with Europe – and I'll be holding the UK Government to that.

We will have a meeting of the Cabinet on Monday.

My urgent priority is to protect the interests of Wales. The Welsh Government has 6 key priorities arising from these changed circumstances.

Firstly, we must protect our jobs. For the Welsh Government now, doing everything we can to maintain economic confidence and stability is our number one task. We have built excellent, proactive relationship with Welsh businesses and inward investors, and these will need to intensify following yesterday's vote.

Second, the Welsh Government must play a full part in discussions about the timing and terms of UK withdrawal from the EU. Our participation is essential, not just for directly devolved issues, but for the whole range of issues affecting vital Welsh interests.

Thirdly, it is vital that the United Kingdom negotiates to retain access to the 500 million customers in the Single Market.

Four, we should negotiate continued participation, on current terms, in major EU programmes like CAP and Structural Funds up until the end of

2020. This will facilitate continuity for citizens, communities, businesses and investors while arrangements are made for the longer term.

Five, Wales is a net beneficiary from the EU to the tune of hundreds of millions of pounds. There is now an overwhelming case for a major and immediate revision of the Barnett Formula taking into account needs arising from EU withdrawal and I call today for the promise made that Wales will not lose a penny to be guaranteed.

Sixth, and finally, withdrawal from the EU is a massive constitutional shift for the UK and it has equally far-reaching implications for the devolution settlement. The relationship between Devolved Administrations and the UK Government must now be placed onto an entirely different footing.

The Welsh Government will fight for the people of Wales in all of these vital areas, but also strive to unify the divisions exposed by this vote, taking Wales forward together, which I believe is what the nation now wants and needs. Passions have been raised by this debate, I acknowledge, but it's now a time for calm, rather than knee-jerk reactions. Many will be concerned about the vitriol that seeped into the campaign – this will not help us with the significant challenges that now face us all.

We also need to find a way of talking to one another again – we may have voted different ways, but we remain neighbours, friends and family.

The challenges we faced yesterday, on the NHS, on the economy, in education, we still face today. And we must rise to those challenges, and deliver for the Welsh people.

It is too early for anyone to fully analyse why the country voted the way it did last night – but one thing is obvious. Areas of Wales and England that contain post-industrial communities, often deprived communities, voted out – even though they had often benefited massively from European funding. Even though those communities voted for parties in May who supported a Remain vote. Too many people in these communities feel that politics, and our economy, has left them behind, and we have a real task ahead to undo that sense of alienation.

I said after the May election that it represented the start of the conversation with our communities, and I meant it. For the good of our nation and its future we must come together and rise to the challenges before us.

4. Parliamentary Material

4.1 Written Questions

[Wales Office: EU Grants and Loans: Wales - 906620](#)

Asked by Danny Kinahan

Asked on 11 October 2016

To ask the Secretary of State for Wales, what steps he is taking to ensure that Wales receives the maximum funding possible from the EU before the UK leaves the EU.

Answered by Alun Cairns

Answered on 19 October 2016

The Government is taking a practical approach to EU funding. As my Rt hon Friend the Chancellor has made clear, structural and investment funds projects signed before the date of exit will be fully funded by the Treasury even where payments fall after we leave the EU; in keeping with the devolution settlement, it will be for the Welsh Government to decide the conditions used to assess projects within its devolved competence.

[HM Treasury: Transport: South Wales - 48650](#)

Asked by Stephen Doughty

Asked on 13 October 2016

To ask Mr Chancellor of the Exchequer, what assessment his Department has made of the potential economic effect of the withdrawal of EU funding on the South Wales metro project.

Answered by Mr David Gauke

Answered on 19 October 2016

The UK Government will guarantee funding otherwise expected from the EU for structural and investment projects in Wales, including European Regional Development projects, signed before we leave the EU. It will be for the Welsh Government to make an assessment of which projects should be pursued in areas of its competence within its MFF allocations in this period, and this guarantee will apply to any such projects.

[HM Treasury: Public Expenditure: Wales - 46769](#)

Asked by Paul Flynn

Asked on 07 October 2016

To ask Mr Chancellor of the Exchequer, what plans he has to match the level of funding for Wales that is provided by the EU.

Answered by Mr David Gauke

Answered on 17 October 2016

The UK Government will guarantee EU funding for structural and investment fund projects in Wales, including agri-environment schemes, signed before we leave the EU. It will be for the Welsh Government to make an assessment of which projects should be pursued in areas of its competence, and this guarantee will apply to any such projects. The agricultural sector in Wales will receive the same level of funding that it would have received under Pillar 1 of CAP until the end of the Multi-Annual Financial Framework in 2020.

As a result of these steps taken by the UK Government, individuals and organisations in receipt of EU funds now have a greater degree of certainty about funding over the coming years. The UK Government will work with the Welsh Government to consider future funding arrangements for once the UK has left the EU.

[Department for Business, Innovation and Skills: EU Grants and Loans: Wales - 30220](#)

Mr Mark Williams

Asked on 08 March 2016

To ask the Secretary of State for Business, Innovation and Skills, which projects in Wales have received European Commission funding in each of the last five years; and how much each such project received in each year.

Answered by Anna Soubry

Answered on 16 March 2016

A list of all projects financed by the European Structural Funds in the 2007-13 period can be found on the Welsh Government website under 'Funding', 'European funds in Wales', 'Previous European Structural Funds programmes', 'Approved project database 2007-2013'.

Implementation of the 2014-2020 European Structural Funds programmes is at an early stage. A list of projects to be financed in Wales by the Structural Funds for 2014-2020 can be found on the Welsh Government website under 'Funding', 'European funds in Wales', 'European Structural Funds 2014-2020', 'Approved projects and ideas under development'.

The Seventh Framework Programme 2007-2013 has provided grants to research and innovation projects across the EU. The European Commission's figures show that the total value of grants awarded to organisations in Wales under this programme was €145,243,199 (up to and including 11 November 2015). For 2014-2020, the Horizon 2020 programme (the successor to the Seventh Framework Programme) has awarded grants with a total value of €39,932,431 to organisations in Wales (up to and including 23 February 2016).

4.2 Oral questions

[Rebalancing the Economy: HC Deb 13 July 2016 c 279](#)

Nick Thomas-Symonds: Central to rebalancing the Welsh economy are the metro projects and the city regions. Given that during the referendum campaign 13 Government Ministers signed a letter guaranteeing the continuation of EU funding, will the Minister ensure that none of those projects loses out as a result of our leaving the EU?

Guto Bebb: I think the hon. Gentleman is asking me to give a guarantee in relation to a future Government. That Government will be established by the new Prime Minister from this afternoon onwards. The key point is that the city deal was an initiative that showed the co-operation between the Westminster Government and the Welsh Government. It showed what could be done when Governments work together. The proposed investment in the south Wales metro is something that was not delivered by the previous Government during the 13-year period in which they could have made a difference.

[EU Membership, HC Deb 4 Mar 2015, c 929-30](#)

Mark Tami: What recent discussions he has had with business representatives in Wales on the importance of membership of the EU to the Welsh economy.

The Parliamentary Under-Secretary of State for Wales (Alun Cairns):

Membership of the European Union's single market is good for businesses in Wales. However, businesses tell me that the burdens and costs imposed by the European Union are making it harder for them to grow. This Government are determined to renegotiate our membership with the European Union to get a better deal for Wales and for UK businesses, and to put that to the people.

Mark Tami: How many tens of thousands of jobs in Wales does the Minister think would be at risk if the UK left the EU?

Alun Cairns: A renegotiated European Union provides greater opportunities for businesses in Wales. I know that the hon. Gentleman shows great interest in Airbus, which says:

"Regardless of which decision the UK will make, we are strongly committed to our operations in the UK".

The British Chambers of Commerce also supports that position. I am absolutely confident that the growth in Wales will contribute to more jobs and provide more of the certainty that people want.

Mr David Jones: Does my hon. Friend agree that the issue of British membership of the EU is indeed of concern to the people of Wales, who have not had their say on the issue for 40 years? Does he further agree that the only way they will get that say is with the return of a Conservative Government, because Labour will not give it to them?

Alun Cairns: My right hon. Friend is absolutely right. We cannot pretend that this debate is not happening. We need to make the

arguments for what the CBI wants—a reformed European Union of which the UK is a part.

Susan Elan Jones: I am intrigued. The Minister said earlier that businesses had told him various anti-EU things. Can he name a single business across the length and breadth of Wales—north, south, east or west—that has told him it would like Wales to leave the EU?

Alun Cairns: I am happy to point to the survey by the British Chambers of Commerce which showed that 77% of businesses support a referendum on EU membership, and said:

“British businesses remain determined to see a recalibrated relationship between the UK and the rest of the European Union, with more powers exercised from Westminster rather than Brussels.”

I hope that the hon. Lady supports that comment from the British Chambers of Commerce.

Mr David Nuttall: Does the Minister agree that businesses do not always speak with one voice on this issue? While big businesses are often the most able to cope with the bureaucracy sent to us from Brussels and might want to stay within the European Union, very often small businesses do not?

Alun Cairns: My hon. Friend makes an extremely important point. Many of the people who are scaremongering now are the same people who wanted to join the euro all those years ago. It is this party that stands up for the British economy and stands up for businesses, exactly as the British Chambers of Commerce, the CBI and Airbus say in the quotes I have given.

Chris Ruane: In 1998, I was successful in persuading my right hon. Friend the Member for Neath (Mr Hain) to accept Denbighshire and Conwy into the bid for objective 1 European funding. In that time, Denbighshire has had a quarter of a billion pounds of private sector and public sector funding from Europe. If Britain pulls out of the EU, my constituency and my county will lose £100 million over the next seven years. What does the Minister feel about that?

Alun Cairns: May I remind the hon. Gentleman that European structural funds are aimed at the poorest parts of Europe? It is no mark of celebration to say that his constituency succeeded in winning that money. This Government have a long-term economic plan to turn the economy around for the longer term rather than depending on the grants and handouts for which he makes the case. He also needs to be reminded that that is our money coming back with conditions attached.

Neil Carmichael (Stroud) (Con): Does the Minister agree that the reforms that the CBI and others are recommending for the single market, and for the European Union in general, are absolutely right for Wales and absolutely right for Britain, and that that should be a consideration for the referendum?

Alun Cairns: My hon. Friend is absolutely right. Opposition Members talk about some sort of so-called uncertainty, but that so-called

uncertainty has given us the fastest-growing economy in the G7 and has made Wales the fastest-growing part of the United Kingdom, which we should be celebrating and marking.

4.3 Debates

[Political Consequences of the EU Referendum, HC Deb 13 July 2016, c 277-79](#)

[EU Membership: Economy, HC Deb 13 April 2016, c 341](#)

5. Further Reading

[Brexit reading list: Legal and constitutional issues](#), House of Commons Library, 10 October 2016

[Brexit in Wales – EU funding, research and Investment](#), National Assembly of Wales, External Affairs and Additional Legislation Committee, 7 October 2016

[Brexit: impact across policy areas](#), House of Commons Library, 26 August 2016

[Wales, already impoverished, is set to get even poorer](#), London School of Economics, 2 August 2016

[Embrace Brexit](#), Andrew R.T. Davies, Institute of Welsh Affairs, 16 July 2016

[What will Brexit mean for Wales?](#), Public Policy Institute for Wales, 28 July 2016

[Wales and the EU: What does the vote to leave the EU mean for Wales?](#), National Assembly for Wales, Research Service, Legal Service and EU Office, June 2016

[Wales' response to the Brexit vote](#), Institute of Welsh Affairs, June 2016

[Wales and the EU Referendum: Estimating Wales' Net Contribution to the European Union](#), Wales Governance Centre, Cardiff University, May 2016

[Wales and the EU Referendum: Cohesion Policy](#), Wales Governance Centre, Cardiff University, May 2016

[Implications of Brexit on public services in Wales](#), Wales Public Services, 2025, May 2016

About the Library

The House of Commons Library research service provides MPs and their staff with the impartial briefing and evidence base they need to do their work in scrutinising Government, proposing legislation, and supporting constituents.

As well as providing MPs with a confidential service we publish open briefing papers, which are available on the Parliament website.

Every effort is made to ensure that the information contained in these publically available research briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

If you have any comments on our briefings please email papers@parliament.uk. Authors are available to discuss the content of this briefing only with Members and their staff.

If you have any general questions about the work of the House of Commons you can email hcinfo@parliament.uk.

Disclaimer

This information is provided to Members of Parliament in support of their parliamentary duties. It is a general briefing only and should not be relied on as a substitute for specific advice. The House of Commons or the author(s) shall not be liable for any errors or omissions, or for any loss or damage of any kind arising from its use, and may remove, vary or amend any information at any time without prior notice.

The House of Commons accepts no responsibility for any references or links to, or the content of, information maintained by third parties. This information is provided subject to the [conditions of the Open Parliament Licence](#).